

April 27, 2012

To: Executive Board

Subject: **Reorganization of Management Services Contract Staff**

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### **Recommendation**

Consider amending the contract with Veolia Transportation to add a director level position.

### **Analysis**

Veolia Transportation provides management services to Foothill Transit. Attached is a letter from Ken Westbrook, President and Chief Operating Officer for Veolia Transportation (**Attachment A**). Mr. Westbrook's proposes to restructure several positions at the Director level as follows:

#### *Current Positions*

- Director of Operations and Maintenance
- Director of Marketing and Communications

#### *Proposed Positions*

- Director of Vehicle Technology of Maintenance
- Director of Customer Service and Operations
- Director of Marketing and Communications

Details regarding the roles and responsibilities of these positions are noted in the attached letter.

### **Financial Impact**

Veolia Transportation is seeking an increase in its contract to provide management services in the amount of \$15,805 per month for a total annual increase of \$189,660. Funds are available in the current budget to fund this position for one month beginning June 1, 2012, and funding is included in the draft business plan and budget to fund this position during fiscal year 2013.

Sincerely,



Darold Pieper  
Legal Counsel

## ATTACHMENT A



April 17, 2012

Carol Herrera, Chair  
Foothill Transit  
100 So. Vincent Ave., Suite 200  
West Covina, CA 91790

**Re: Proposed Reorganization of Staff**

Dear Chair Herrera:

As part of the management contract between Foothill Transit and Veolia Transportation, we currently provide one professional staff member who serves as the Director of Operations and Maintenance and a second individual who serves as Director of Marketing and Communications. In light of the size and complexity of both the maintenance function and the operations contract oversight function, we propose to reorganize several roles. This would necessitate adding a Director level position to the management services contract as described below.

Foothill Transit's business activities have continued to become more and more complex. Under the current organization structure, one single Director level position is responsible for the oversight of almost 85 percent of the operating budget. Further, this position manages all bus procurement and vehicle technology projects, which is a significant portion of the capital program.

Under this new scenario, Foothill Transit would have a Director of Customer Service and Operations and a separate Director of Maintenance and Vehicle Technology. The Director of Customer Service and Operations would be focused on the customer experience with an emphasis on ensuring compliance and quality by Foothill Transit's operations contractors. This individual also would assume responsibility for leadership of your Transit Stores operations. We propose that Linda Somilleda, your current Director of Marketing and Communications fill this very important role. Linda already has overall responsibility for the Transit Store operation.

The Director of Maintenance and Vehicle Technology would be sharply focused on the successful implementation of Foothill Transit's electric bus program and the procurement of transit buses. This position would also be responsible for ensuring that proper maintenance of all Foothill Transit vehicles and related equipment is being conducted per the requirements of your operating contracts. George Karbowski, the current Director of Operations and Maintenance will fill this role. George is widely recognized as an industry expert in the area of vehicle technology and maintenance.

With Linda's transition to the role of Director of Customer Service and Operations, we will need to recruit a new individual to serve as Director of Marketing and Communications. This will occur immediately following approval of this proposal.



We believe that this new structure will enhance our ability to ensure operator contract compliance and service quality and, at the same time, continue to advance your aggressive vehicle technology and innovation programs.

To address the additional costs associated with this reorganization and the addition of one director level position, Veolia Transportation is seeking an increase in our contract to provide management services in the amount of \$15,805 per month for a total annual increase of \$189,660. We propose that this position be funded beginning on June 1, 2012. We further propose that this amount be subject to the annual increases that are included in the management contract.

Thank you for your consideration. If you have any questions, please contact me at (630) 382-1120.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Westbrook", followed by a long horizontal line extending to the right.

Kenneth P. Westbrook  
President and Chief Operating Officer  
Veolia Transportation Services, Inc.

cc: D. Pieper  
D. Barnes